

# WeCan July Meeting

Steve Braun  
July 29<sup>th</sup>, 2013



Indiana House Republicans  
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# Steve Braun – District 24

- Native Hoosier
- Information Technology – Braun Consulting
- Applying business principles to government
- Republican super majorities; 50%+ turnover in House in last 2 elections
- Committee assignments
  - Ways & Means
  - Small Business, Commerce and Economic Development



# Governor Daniels Legacy

- Budget Surplus
  - 1 of 9 states with a AAA credit rating from all 3 agencies
- Leaner more effective government
- Major infrastructure investments
- Improved business climate
  - RTW passed
  - Lower corporate, inheritance and other taxes
  - Consistent top rating from business journals
- Education reform

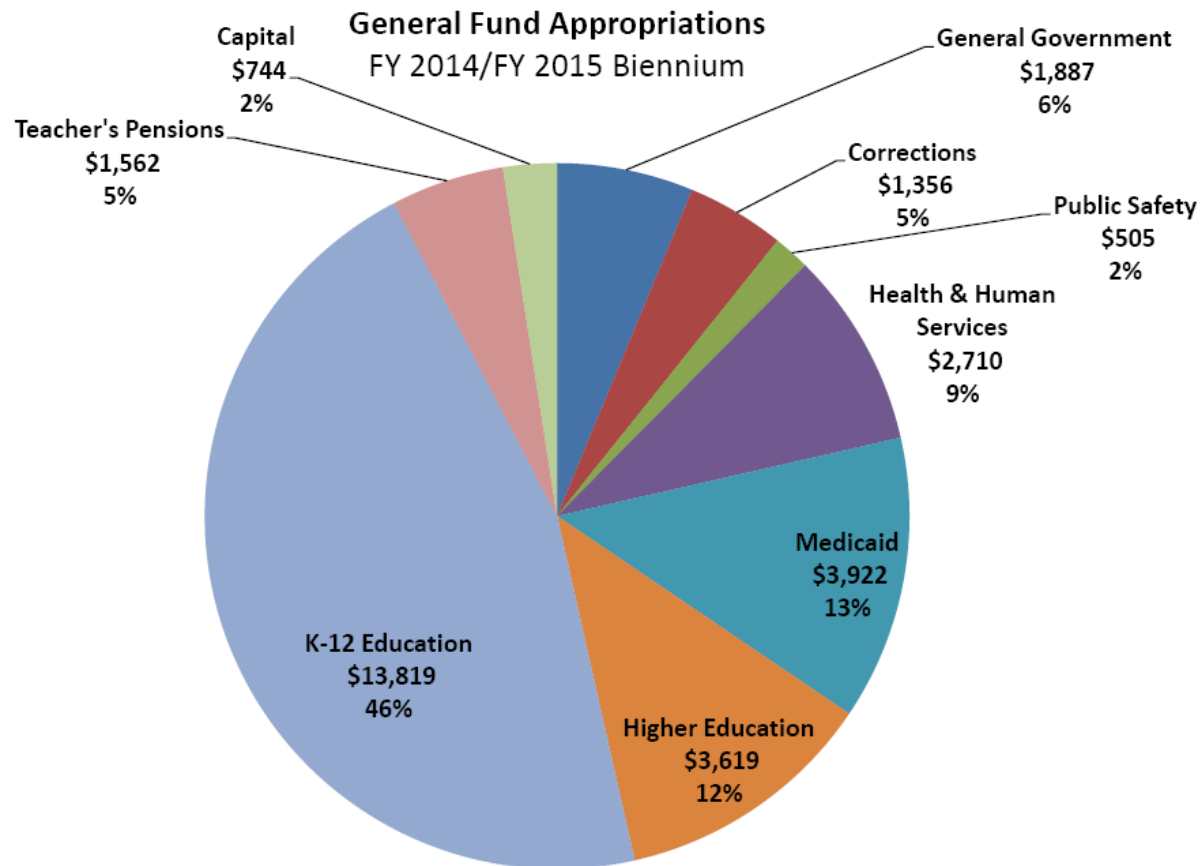


# House Republican Legislative Priorities

- **Financial security for future generations**
  - Pass a structurally balanced budget protecting surpluses
  - Investment of Surpluses
- **Jobs and Economic Climate**
  - Build on the record pace of companies that have expanded or established new business operations in Indiana
  - Enhance training efforts for future, current and unemployed workforces
  - Reduce taxes to promote growth
- **Leaders in the classroom; Leaders in life**
  - Continue previous administration reform
  - Fund early childhood education
  - Reward teachers and schools based on performance
  - Allow top performing schools to innovate

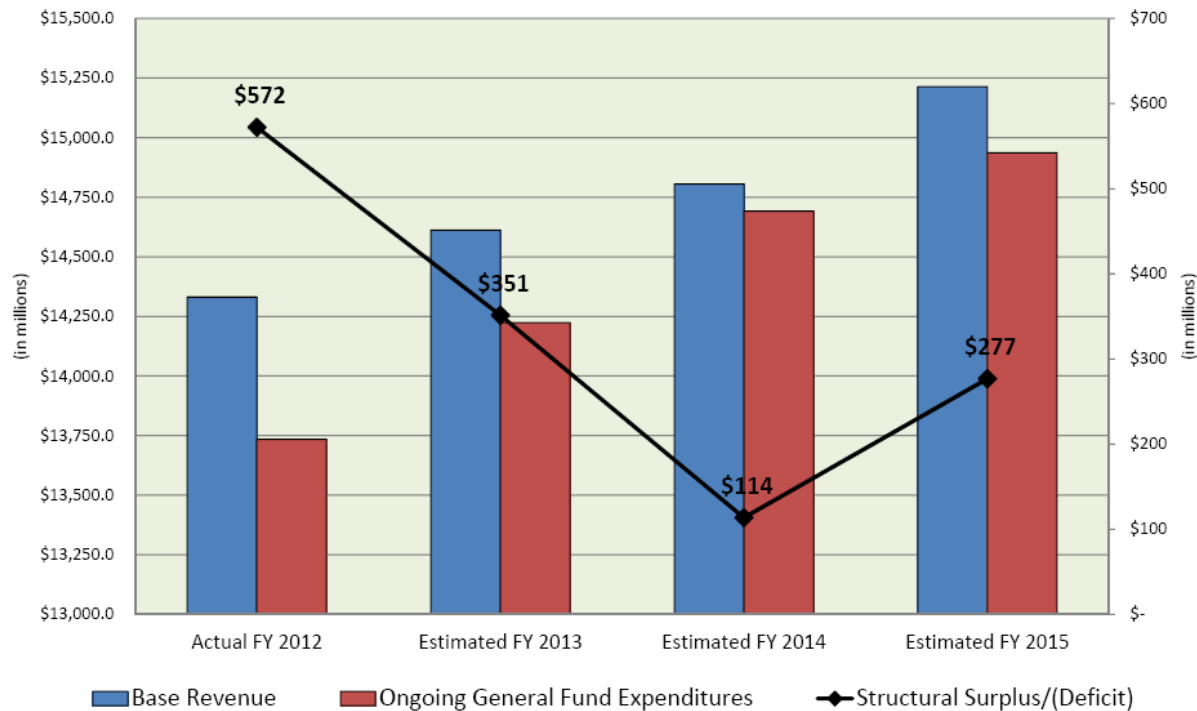


# Fiscal Integrity - Balanced Budget



# Fiscal Integrity - Balanced Budget

Total Base Revenue v. Net Ongoing General Fund Expenditures  
+ *Structural Surplus*  
FY 2012 Actual - FY 2015 Estimated



# Fiscal Integrity – Invest Surpluses

- Reduces taxpayer funded debt by repaying \$128M in bonds owed on two state facilities
- Provides cash funding for nearly \$225M in state and university capital projects
  - Cash funding will save taxpayers nearly \$160M (or 41%) versus debt financing
- Builds And Maintains Infrastructure
  - Provides an additional \$215M per year in funding for state and local roads and bridges
    - 47% of the funds will be directed to local units with no strings attached
  - Reserves \$400M in the Major Moves 2020 fund over the biennium for future transportation infrastructure needs



# Jobs – Tax Cuts

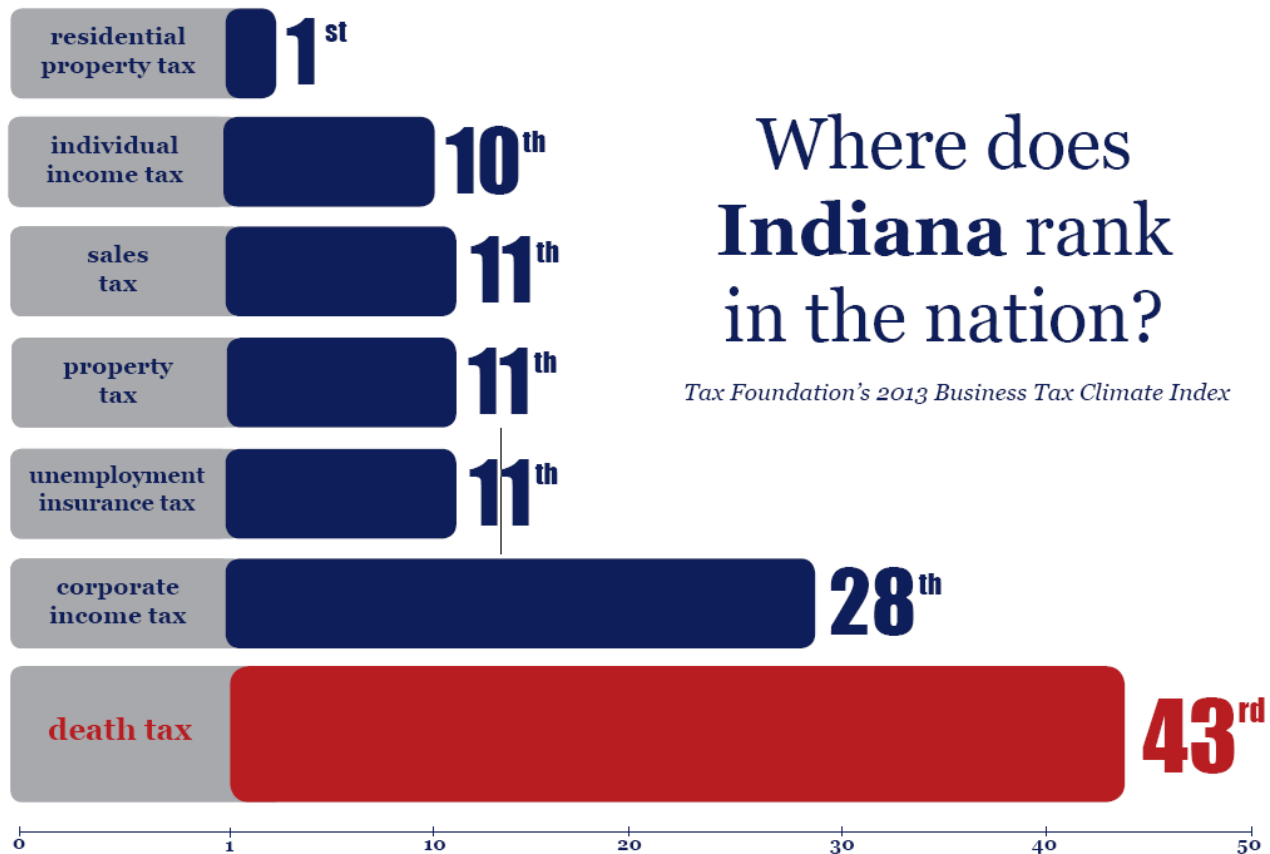
- **Protect Hoosier Taxpayers**

- Provides the largest tax cut in Indiana history
  - When fully implemented, the tax cut package will reduce taxes by \$650M+ per year
- Immediately repeals Indiana's death tax
- Cuts the individual income tax rate by 5%
  - Rate will lower to 3.3% in TY 2015 and 3.23% in TY 2017
- Phases down the financial institutions tax rate to 6.5% over four years and provides for the continued phase-down of the corporate income tax rate



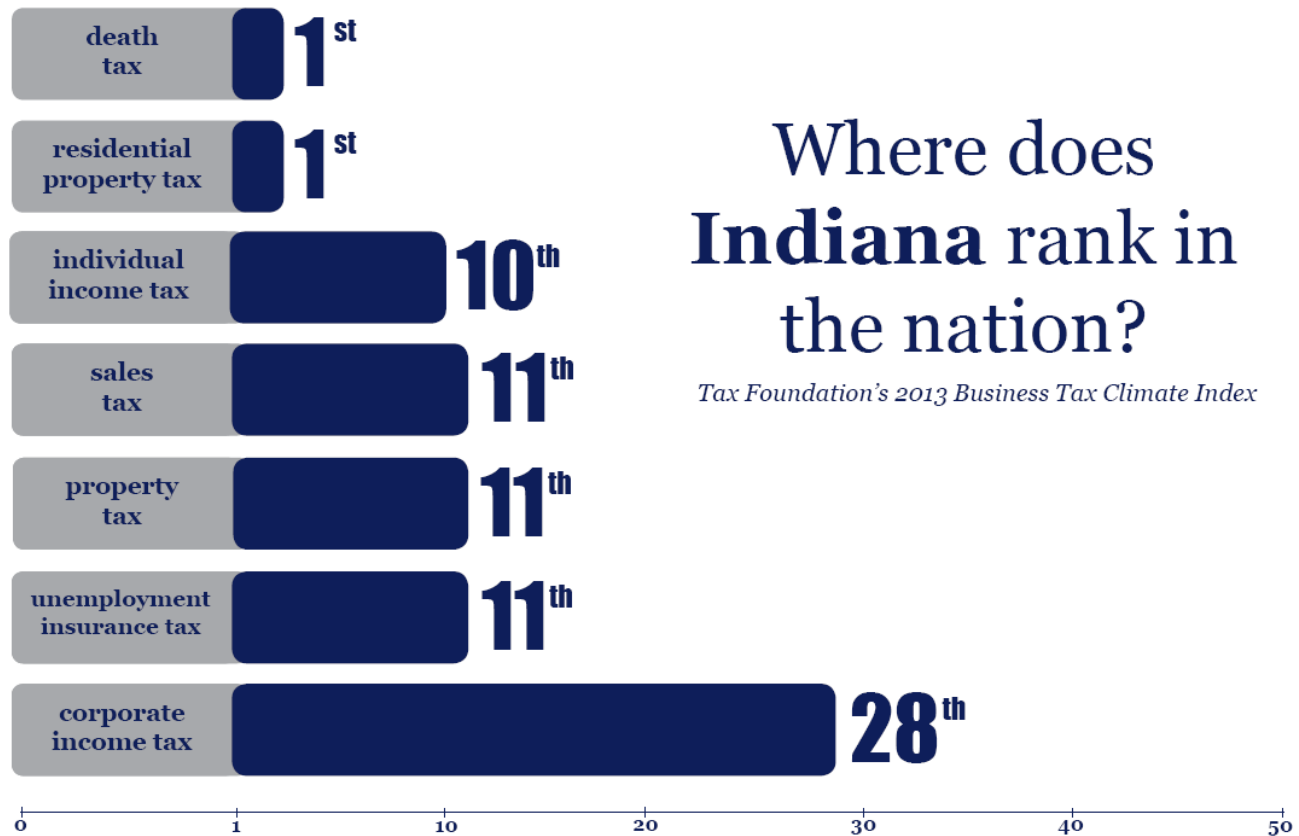
# Jobs – Tax Cuts

## Before repeal of death tax



# Jobs – Tax Cuts

After repeal of death tax (HEA 1001)



# Jobs – Business Relocation and Expansion

- In 2012, IEDC worked with 228 companies that agreed to relocate or expand business operations in Indiana
- This represents 21,893 new jobs and \$4.89B in capital investment
- Average wage for newly created jobs is \$22.34/hr vs. state average of \$19.66/hr
- Strong initial evidence that RTW will accelerate the pace



# Jobs – Workforce Development – HB1002

- The problem:
  - 250,000+ unemployed in Indiana
  - Indiana Chamber indicates that there are more than 250,000 STEM (Science, Technology, Engineering and Math) jobs available
  - Significant federal and private dollars provided for training with limited results
  - Inadequate data on current and future job openings and related skill set requirements



# Jobs – Workforce Development – HB1002

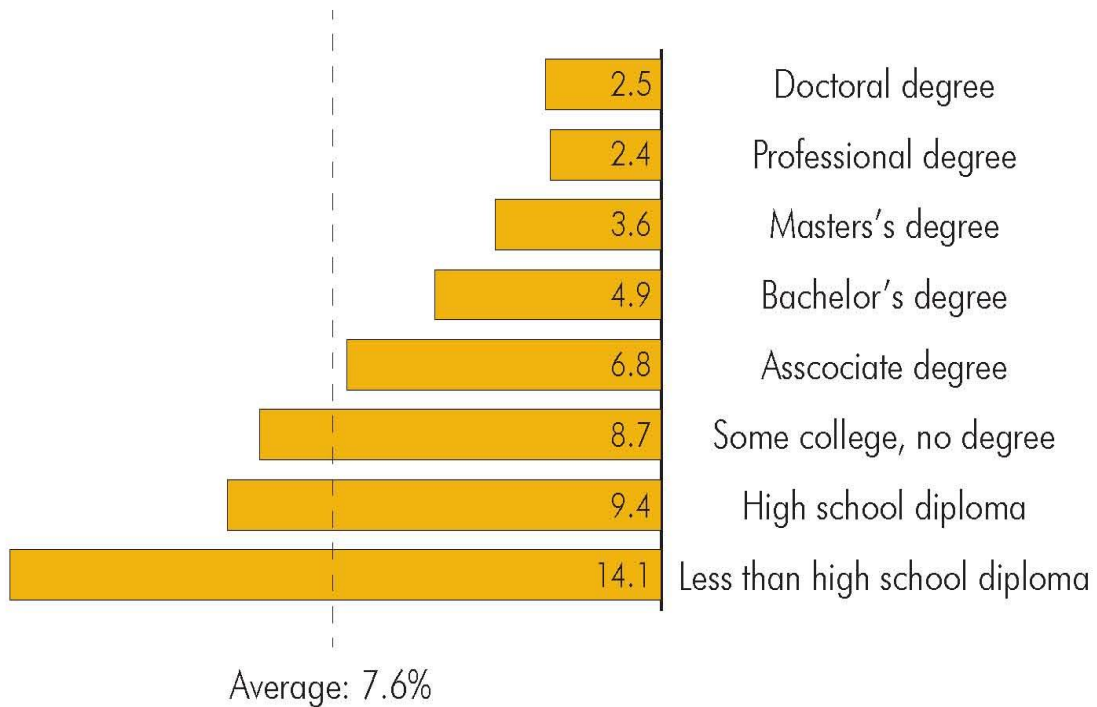
- The solution:
  - Author Speaker Bosma; Co-author Braun
  - Enhance Indiana Workforce Intelligence System (IWIS)
  - Tighten requirements for unemployed to receive training
  - Ensure that regional Workforce Investment Boards (WIBS) direct appropriate resources to training
  - Align K12 and Higher Education around building curriculum designed to build skills dictated by IWIS data



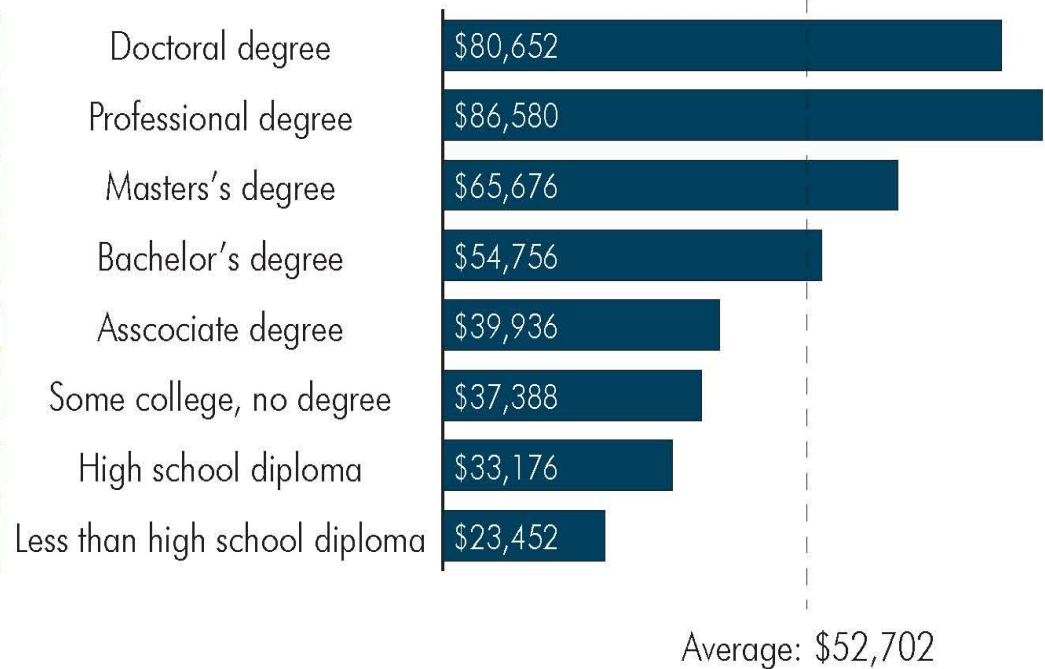
# Leaders in Classroom; Leaders in Life

## How Education Pays Off

Unemployment rate in 2011 (in %)



Median annual earnings in 2011



# Leaders in Classroom; Leaders in Life

## K-12

- **Invest in Education**

- Increases K-12 education funding by \$390M over the biennium
  - K-12 appropriations exceed pre-recession funding levels
  - K-12 tuition support increased by 2% in FY14 and 1% in FY15
- Provides an additional \$30M for K-12 performance funding in FY15
- Provides funding to repay charter school start-up loans
- Creates an Early Education Matching Grant program funding Pre-K education at \$2M per year for low-income children
- Improve Career and Technical Education in High Schools
- Increase the availability and consistency of dual credit programs



# Leaders in Classroom; Leaders in Life

- Performance Qualified Schools – SB189
  - Allows qualified schools to provide flexibility in administration and instruction that are placed in the highest performance and improvement category
  - The State Board of Education (SBOE) may grant waivers to high schools that are not in the highest performance and improvement category
  - A performance qualified school district or high school is exempt from certain education statutes, rules, and guidelines.
    - For example, schools would not be required to have at least 180 student instructional days per year.
  - Specifies the statutes, rules, and guidelines with which a performance qualified school district or high school must continue to comply.



# Leaders in Classroom; Leaders in Life

## Higher Education

- Invests an additional \$190M over the biennium for higher education operating expenses
- Increase funding for student financial aid by \$75M over the biennium
- Continue to look for ways to strengthen partnerships between industry and Indiana's colleges and universities
  - Invest in Indiana.
  - Applied Research Enterprise and private companies allowed to participate in state work study program
- Target investment on training programs that have high potential to put Hoosiers back to work
  - Indiana Work Council



# WeCan July Meeting

“Change of the dimension we need requires a coalition of a dimension no one has recently assembled”

Mitch Daniels

